



## NEWS RELEASE

### Media Contact:

Greg Risling  
Public Information Officer  
213-257-2000  
[GRisling@da.lacounty.gov](mailto:GRisling@da.lacounty.gov)  
Twitter: @LADAOOffice

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## Civil Lawsuit Filed Against Los Angeles-Based Car Donation Charity

The offices of the Los Angeles County District Attorney and the California Attorney General have filed a consumer protection lawsuit against a Los Angeles-based car donation charity, alleging the nonprofit organization solicited vehicle donations from the public using false and misleading advertising.

The lawsuit against People's Choice Charities was filed today in Los Angeles County Superior Court. The suit claims breach of fiduciary duty, untrue and misleading advertisement, unfair competition and negligence. It seeks a permanent injunction as well as more than \$3 million in damages.

"People's Choice Charities used its tax-exempt status to dupe donors into believing it was a legitimate charity," Los Angeles County District Attorney Jackie Lacey said. "Instead, it preyed upon the generosity of donors. It spent hundreds of thousands of dollars for its own purposes rather than sending that money to charities designated by the donors.

The lawsuit filed today aims to stop People's Choice Charities' deceptive practices to ensure consumers can donate to charities with confidence."

The lawsuit claims People's Choice Charities promised 100 percent of the proceeds from the sale of cars donated to the organization would be given to charities chosen by the donors. However, an estimated 97 percent of the funds allegedly were used toward administrative costs, including advertising and towing and car repairs.

Audits performed by the Attorney General's Office between 2007 and 2012 revealed that the 501(c)(3) tax-exempt organization reported it had donated more than \$700,000 to other nonprofit agencies, but actually only gave approximately \$185,000.

Additionally, People's Choice Charities maintained its towing services were free and its employees could repair and sell the vehicles at minimal cost, according to the lawsuit. But the charity did charge for towing expenses and did not have a repair staff, the lawsuit added.

The organization also created a program in which donors could receive money in exchange for their donation, giving it the ability to boost its inventory, the lawsuit said. By offering cash for the donated vehicles, People's Choice Charities was essentially running an unlicensed used car business in violation of California law, the lawsuit said.

Duke Chau of the Consumer Protection Division and Deputy Attorney General Sandra I. Barrientos are handling the case.

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#### **About the Los Angeles County District Attorney's Office**

Los Angeles County District Attorney Jackie Lacey leads the largest local prosecutorial office in the nation. Her staff of nearly 1,000 attorneys, 300 investigators and 800 support staff members is dedicated to seeking justice for victims of crime and enhancing public safety. Last year, the [Los Angeles County District Attorney's Office](#) prosecuted more than 71,000 felony defendants and nearly 112,000 misdemeanor defendants.